
The World's Most Talent Ready Countries, 2014



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**Talent is moving around the world faster than ever before.
Countries that remain open to it are building a competitive edge.**

The pace of change in the knowledge economy is reaching unprecedented speed. Rapid technological change, coupled with a globally mobile workforce is bringing benefits to countries able to harness the energy of the young and ambitious, and raising challenges to those unable to attract and grow this precious resource.

The second edition of the [Global Talent Competitiveness Index](https://knowledge.insead.edu), created by INSEAD, in partnership with Singapore's Human Capital Leadership Institute and Adecco confirms that talent competitiveness is closely linked to wealth: high income countries again lead the top-scoring countries in the GTCI 2014. With world-class universities, rich countries also have a greater ability to attract foreign talents through better quality of life and higher remuneration – all of which drive up diversity.

In the ranking of 93 countries, which measures their ability to attract and incubate talent, European countries continue to dominate this year's list with 16 of them in the top 25. Switzerland maintains its number one spot, while four non-European countries are among the top ten: Singapore, the United States, Canada and Australia.

GLOBAL TALENT COMPETITIVENESS INDEX

1.	Switzerland
2.	Singapore
3.	Luxembourg
4.	United States
5.	Canada
6.	Sweden
7.	United Kingdom
8.	Denmark
9.	Australia
10.	Ireland
11.	Norway
12.	Netherlands
13.	Finland
14.	Germany
15.	Austria
16.	New Zealand
17.	Iceland
18.	Belgium
19.	Estonia
20.	Japan

Small country advantage

By virtue of their small size, Switzerland, Singapore and Luxembourg — the top three — have no choice but to be open economies. They show a high degree of openness in terms of trade, investments and people, where their

small population, geography and lack of natural resources have meant that they have had to play the game of globalisation from early days. Other countries which have realised that an attractive talent pool encourages multinational corporations to invest within their borders include the Nordic countries which are all in the top 20.

HOW IS THE RANKING COMPILED?

To compile the ranking, 65 variables are used which are split into two groups: Inputs and Outputs. It combines an assessment of what countries do to produce and acquire talents (Inputs) and the kind of skills that are available to them as a result (Outputs).

The outputs are broadly divided between Labour and Vocational skills which encompass technical and functional jobs in fields such as engineering and ICT; and Global Knowledge skills which encompass knowledge workers in professional, managerial or leadership roles.

The Inputs encompass four key areas: Enablers - the regulatory, market and business environments - and the three-pronged Attract-Grow-Retain framework which, when all taken together, demonstrates a country's efforts to foster its talent competitiveness.

A practical approach

One of the main findings in this year's GTCI is that vocational education and training is neglected in most countries with the real exceptions of Switzerland, Germany and Austria. In Switzerland, some 70 percent of young adolescents choose the apprenticeship track rather than the university route which manifests itself even within government where half of Swiss ministers come out of the vocational stream. Starting from age 12, pupils at Swiss schools are encouraged to think vocationally and consider how to make themselves employable early in life. The same is true in Germany and Austria and the results of this are seen in the youth unemployment figures where the rates are as low as 3.6 percent and 8 percent in Switzerland and Germany respectively. This is in stark contrast to many other European countries which are plagued by youth unemployment — with rates not uncommon at 50 percent and above in countries such as Spain, Italy and Greece.

Africa's potential unlocked

In many African countries, policymakers have also started to recognise the critical role that technical and vocational skills can play in national development and have begun to address the mismatch between training and labour market needs. With Africa's economies growing quickly, they are witnessing one of the fastest-growing youth populations and middle classes in the world. The time is ripe to ensure that this perfect storm of new consumers, new job opportunities and large numbers of youth seeking employment comes together for true socio-economic progress.

Seeking a 'job rich' recovery

A further key finding of the GTCI is that technological advances in the form of big data and business analytics are affecting new segments of the labour market. Leaders need to consider this reality not only in terms of how it is affecting the labour market today, but also how it will affect workers' employability into the future. The "big data phenomenon" is starting to impact the 250 million knowledge workers globally as their specific talents are either given more value by this trend or made redundant by it. Given the rapidity with which technological changes take place, employers will have a central responsibility in adapting their labour forces to such challenges – in emerging economies as well as sophisticated OECD countries. In countries which have been forward in developing their business

process offshoring activities – such as India, Morocco, Tunisia and Egypt – considerable efforts will be required to grow “e-skills” and “e-leaders” and to foster the “job-rich recovery” sought by economies today.

Preparing the next generation

It has been clear for some decades that globalisation combined with technological change will affect the economic and talent landscapes of the future, but this appears to be happening much faster than anticipated. Equipping youngsters with digital skills, team and networking capabilities and a spirit of “learning how to learn” needs to start at primary school level in order to meet labour market requirements.

Ultimately, these youngsters will be seeking employment in economies which are attractive places to work and live. Such places will embrace diversity. To be among such destinations, national economies need to be open to trade, investment, immigration and new ideas. Switzerland, Singapore and Luxembourg have indeed shown themselves to be “champions of openness” in this year’s GTCI.

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